



Resource Allocation Sub (Policy and Resources) Committee

Date: THURSDAY, 14 MARCH 2019
Time: 12.00 pm
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

7. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

2019/20 REVENUE RESOURCE BUDGET REQUESTS

Report of the Chamberlain.

For Decision
(Pages 1 - 18)

Item received too late for circulation in conjunction with the Agenda.

John Barradell
Town Clerk and Chief Executive

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Committee(s): Resource Allocation Sub Committee – For decision	Date(s): 14 March 2019
Subject: 2019/20 Revenue Resource Budget Requests	Public
Report of: The Chamberlain	For Decision
Report author: Caroline Al-Beyerty, Deputy Chamberlain	

Summary

There have been an exceptional number of resource requests for revenue budgets in 2019/20, totalling £14.8m. The majority of these represent ongoing requests for baseline budget uplifts.

The additional requests in Bridge House Estates can be accommodated.

This report asks Members to prioritise the requests for revenue budget funding for 2019/20 for City Fund and City's Cash. As it is difficult to prioritise in advance of the fundamental review and the setting of new prioritisation criteria, officers have analysed the requests into the following categories:

- Items recommended for approval - including major contract cost increases, costs of implementing new policies; and activities that have funding;
- Items for more detailed consideration by Members; and
- a number of smaller requests below £100k p.a.

Members are asked to scrutinise each item and decide whether to accept or reject the request.

As agreeing base budget uplifts increases revenue pressures for future years and correspondingly the savings targets, it is recommended that Members agree a policy that additional pressures that might arise during 2019/20 will be absorbed within local risk budgets, unless there are exceptional circumstances.

This measure will help to stabilise the position in 2019/20 and support the wider steps that will need to be taken over the medium-term, through a combination of continuing the efficiency drive across the Corporation and Police, income generation measures, including tax/Premium increases, and containing the cost of major projects and other programmes.

Recommendation(s)

Members are asked to:

- Accept bids of £5.2m for unavoidable contract costs, subject to evaluation as part of the fundamental review; £2.4m where funding has already been approved by Policy and Resources Committee; £1.5m for externally funded requests; and £2.2m for requests already agreed where funding has started already (totalling £11.3m), paragraph 8.

- Consider the 2019/20 budget requests set out in the report for inclusion in the relevant base budget, detailed in appendix 1 and summarised in paragraph 9. On the whole these requests have been approved by service Committees and not yet by Policy and Resources Committee.
- Approve the policy that no further base budget requests for 2019/20 will be approved unless there are exceptional circumstances.

Main Report

Background

1. Members have considered the financial position of the City Corporation at the Informal Court of Common Council meeting on 14 February 2019, Finance Committee meeting on 19 February 2019 and Policy and Resources Committee on 21 February 2019.
2. A fundamental review is taking place which provides an opportunity to reappraise spending in a cross-cutting way, rather than depending on the silo-based approach of just relying on efficiency squeezes and savings by individual service committees or departments. The proposed approach for the fundamental review is being considered by Policy and Resources Committee on 14 March 2019.
3. The scale of the challenges will become clearer during the next year, following the Spending Review and reviews of business rates and council tax. These will have an effect from 2020/21 onwards.

Current Position

4. The medium-term financial position is summarised in the tables below. This excludes the impact of pipeline second-tier capital projects, which are not currently allocated funding and which will be considered at a later meeting of the Resource Allocation Sub-Committee.

CITY FUND - COMBINED (Police and non-Police)

	2018/19	2019/20	2020/21	2021/22	2022/23
Surplus / (Deficit)	29.3	26.6	(5.4)	(0.0)	3.7
Major project financing (net GLA contribution)	(10.0)	1.2	1.5	(2.9)	(8.3)
Budget uplift revenue requests	0	(8.0)	(7.6)	(7.6)	(7.6)
City Fund- non-Police Surplus/ (Deficit)	19.3	19.8	(11.5)	(10.5)	(12.2)
Police Surplus/ (Deficit)	(0.4)	(0.1)	(2.4)	(3.6)	(4.4)
City Fund combined Surplus/ (Deficit)- post mitigation and Premium increase	18.9	19.7	(13.9)	(14.1)	(16.6)
Financed By:					
General Fund Reserves- planned use	80.5	99.3	83.8	68.8	47.2
Or savings requirement			13.9	14.1	16.6

CITY'S CASH

Surplus/ (Deficit)	2018/19	2019/20	2020/21	2021/22	2022/23
(Deficit)/ Surplus with planned equity drawdown	(11.6)	(2.9)	(2.4)	(2.6)	3.5
Major Project Financing	0	(4.5)	(7.5)	(9.3)	(12.4)
Budget uplift revenue requests	0	(5.3)	(4.8)	(3.7)	(3.4)
City's Cash combined deficit	(11.6)	(12.7)	(14.7)	(15.6)	(12.3)
Financed by:					
Savings requirement	11.6	12.7	14.7	15.6	12.3

Alternatively, the deficit could be financed through the use of reserves. Although there are no general fund reserves left, there is the potential to draw down on the reserve currently invested in securities or property – with between £26m and £43m available p.a. during the planning period before affecting the level of investments needed to generate sufficient revenue income to run the services.

BRIDGE HOUSE ESTATES

Surplus/ (Deficit)	2018/19	2019/20	2020/21	2021/22	2022/23
Surplus with planned equity drawdown	2.1	0.8	0.8	1.5	0.3
Budget uplift revenue requests	0	(1.5)	(1.4)	(1.4)	(1.4)
BHE combined surplus/ (deficit)	2.1	(0.7)	(0.6)	0.1	(1.1)

5. A number of measures have been presented to Court of Common Council within the budget setting reports to stabilise the position in 2019/20 and to support the steps that will need to be taken over the medium-term, through a combination of continuing the efficiency drive across the Corporation and Police, income generation measures (including tax/Premium increases), and containing the cost of major projects and other programmes.
6. This report considers the budget uplift revenue requests in the tables above. The Bridge House Estates requests can be funded without causing an ongoing cost pressure. However, the City Fund and City's Cash financial position is much more challenging.
7. We are reluctant to add to the base budget for coming years as this will increase the scale of savings required. We have, therefore, identified where items are one-off requests for 2019/20 where approval could be for one year only. These one-off requests could be funded through the carry forward process, though we have explicitly made no assumption on carry forward approval.
8. Where PIF funding has been awarded there should be no assumption that this will necessarily be extrapolated beyond a one-off funding approval to a base budget uplift.

9. Members will also wish to note the implications of funding the increased revenue pressures for future years and signal an expectation that additional pressures that might arise during 2019/20 will be absorbed within local risk budgets.

Options

10. The additional budget uplift requests for 2019/20 (and onwards) have been analysed and are included in more detail by fund in Table 1 below. The first part of the table shows:

- Unavoidable increase in contract costs for energy and waste collection- not absorbable within local risk without changes in service provision, approved by Policy and Resources Committee and Court of Common Council prior to the steer from Policy and Resources Committee to defer resource requests pending the approval of the Medium Term Financial Plan.
- New baseline funding for new activities already agreed by Policy and Resources Committee for changes in policy or governance, including governance changes for the Police Authority; costs of borrowing; and to address the requirement to expend personal money to discharge the offices of Aldermen, Sheriff and Lord Mayor.
- Activities that already have funding e.g. from rental income; and
- Additional funding requests already approved during the year, for which activities have started e.g. Cyber Griffin and before the decision was made by Policy and Resources to defer approval until the Medium Term Financial Strategy was available.

11. The second part of the table shows requests for more detailed consideration- it is suggested that Members go through each one and decide whether to accept or reject. Members may wish to consider the following points in reaching a conclusion on each request:

- a. Is there budget provision that can be carried forward for one-off requests? If there is, should the request be more appropriately considered as part of the annual carry forward process?
- b. Is the cost increase unavoidable – could the service be delivered in an alternative way? Could additional income be generated to fund the increased cost?
- c. What is the effect of stopping this activity (e.g. on residents, on businesses or reputationally)?
- d. Could the service re-prioritise within existing resources?

12. Set out in the third section are the smaller requests (below £100k). These requests total £945k. A full breakdown by fund is included in Appendix 1. These requests are largely in three categories; additional establishment posts, increased cost of service provision (e.g. flood resilience), and new initiatives (e.g. London Counter Fraud Hub). The additional funds generated from the Adult Social Care precept on

Council Tax in 2019/20 will be allocated to fund an additional social worker and an additional mental health practitioner (requests 46 & 47) following approval by Court of Common Council on 7 March 2019. Members are asked to consider these requests.

13. Alternatively, these smaller requests could be funded through the carry forward process pending the fundamental review and full consideration of resource allocations across the City Corporation. There may be a need to relax the upper carry forward limits for Chief Officers for 2019/20 as a one-off to enable this to happen.

Table 1: Requests for baseline budget uplifts

£m	City Fund	City's Cash	BHE	Guildhall Admin	Total	Appx Ref: line
Requests recommended for approval:						
Unavoidable Contract Cost increases	4.446	0.254	0.094	0.381	5.175	1 – 9
New baseline funding approved by P&R	0.250	0.688	1.326	0.120	2.384	10 – 17
(Externally) Funded	1.046	0.367	0.129	-	1.542	18 – 23
Approved funding for activities that have started	-	1.664	-	0.581	2.245	24 – 32
Subtotal	5.742	2.973	1.549	1.082	11.346	
Requests for consideration:						
Operational estate costs	0.114	0.271	(0.088)	0.218	0.515	33 – 36
Coroner funding- to tackle fourfold increase in deaths	0.150	-	-	-	0.150	37
Culture Mile- carry forward of budget for artistic programmes	0.238	-	-	-	0.238	38
Open Spaces Learning- previously funded by City Bridge Trust	-	0.395	-	-	0.395	39
Oak Processionary Moth Tree Treatment	-	0.200	-	-	0.200	40
Guildhall Running Costs	-	-	-	0.946	0.946	41
Subtotal:	6.244	3.839	1.461	2.245	13.790	
Bids below £100k each	0.655	0.290	-	-	0.945	42 – 51
Reapportion Guildhall Admin	1.123	1.123	-	(2.245)	-	
TOTAL:	8.022	5.252	1.461	-	14.735	52 – 58

Proposals

14. Following consideration of the requests for funding Members should consider which bids to approve and which to reject.

Conclusion

15. Agreeing base budget uplifts increases the savings targets in future years correspondingly.
16. Action is being taken to maintain the progress on efficiencies, address the police budget deficit, manage resource pressures and contain costs of the major projects and other requests.

Appendices

- Appendices – 2019/20 Budget Requests
 - Appendix A – All Funds
 - Appendix B – City Fund
 - Appendix C – City Cash
 - Appendix D – Bridge House Estates
 - Appendix E – Guildhall

Background Papers

- City Fund 2019/20 Budget Report and Medium Term Financial Strategy, Court of Common Council – 7 March 2019
- Revenue and Capital Budgets 2018/19 and 2019/20: City's Cash and Bridge House Estates, Court of Common Council – 7 March 2019

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REF:	Description	Fund	One off /ongoing	Funded?	£'000	Detail	Comments
UNAVOIDABLE INCREASES IN CONTRACT COSTS							
1	Corporate Energy contract	City Fund	Ongoing	No	828	Corporate energy contract has been relet from 1 Oct 18 with an average increase in cost of 32%. It was agreed that calculated inflation would be provided for 19-20 for the major corporate properties (excluding services recharged to third parties).	Finance and Court approved under Urgency July 2018
2	Corporate Energy contract	City's Cash	Ongoing	No	254	Corporate energy contract has been relet from 1 Oct 18 with an average increase in cost of 32%. It was agreed that calculated inflation would be provided for 19-20 for the major corporate properties (excluding services recharged to third parties).	Finance and Court under Urgency July 2018 Already approved
3	Corporate Energy contract	Bridge House Estates	Ongoing	Yes	94	Corporate energy contract has been relet from 1 Oct 18 with an average increase in cost of 32%. It was agreed that calculated inflation would be provided for 19-20 for the major corporate properties (excluding services recharged to third parties).	Finance and Court under Urgency July 2018 Already approved
4	Corporate Energy contract	Guildhall Admin	Ongoing	No	321	Corporate energy contract has been relet from 1 Oct 18 with an average increase in cost of 32%. It was agreed that calculated inflation would be provided for 19-20 for the major corporate properties (excluding services recharged to third parties).	Finance and Court under Urgency July 2018 Already approved
6	Operational Properties - Barbican Centre Running Costs	City Fund	Ongoing	No	400	Citigen - Guildhall complex incl Wood St heat supplies	
7	Guildhall Complex Running Costs	Guildhall Admin	Ongoing	No	60	Citygen - Guildhall complex incl Wood St heat supplies	
9	Waste Collection & Street Cleansing Contract	City Fund	Ongoing	No	3,218	Increased cost of new contract commencing April 2019 following recent tender exercise	PHES 8th Nov, Finance 13th Nov, CCC 16th Nov (urgency) If not approved, significant service changes would be required. However this is a substantial ongoing increase in baseline that may not be sustainbale over the longer term,when funding levels are reduced.
Subtotal:					5,175		
NEW BASELINE FUNDING REQUESTS APPROVED BY POLICY & RESOURCES							
Page 7 10	8 Strengthening Police Authority Governance	City Fund	Ongoing	No	250	Costs for two FTE in Financial Services and one FTE in Town Clerks to support Police Authority function.	Policy approved in November 2018, Court approved in Jan 2019
	Renewable Energy Strategy	Guildhall Admin	One-off	No	50	£25k in P&R contingency in 2018/19	P&R - 7 June 2018: already approved
	10 Borrowing costs	City's Cash	one-off	Yes	200	Estimated costs of borrowing advice due to Private Placement (additional fees may be incurred)	P&R & Finance Cttee approved in principle in Dec 2018. Was to be financed from Finance Cttee contngencies, but moved out to later in 2019, with bank facility in 2018/19.
	11 Corporate Treasury	Guildhall Admin	Ongoing		70	salary cost of additional staff member to support investment and borrowing	FC - 11 Dec 2018, P&R 13 Dec 2018 already approved
	12 Supporting the City: City Week 2019 Sponsorship	City's Cash	One-off	Yes-PIF	25	£25k in PIF 2019/20	P&R - 5 July 2018: Already approved
	13 Supporting the City: CityUK Funding	City's Cash	5 years	No	100	Base budget ulift to fund contribution to CityUK.	P&R Dec 18. Already approved
	14 Supporting the City: Strengthening the work on global competiveness	City's Cash	Ongoing	No	1,800	Base budget uplift in EDO of £2m with 10% efficiency saving	P&R Dec 18. Already approved. Included in forecast
	15 Uplift to Mayoral / Shrieval budgets	City's Cash	Ongoing	No	279	Increase to Mayoral and Shrieval budgets to ensure that there is sufficient budget to fund events at the Old Bailey and to address the need for an Alderman to expend personal money to take on the discharge of offices of Alderman, Sheriff (including non-Aldermanic Sheriff) and Lord Mayor.	Joint Deputation of Aldermen, Finance Committee and Policy & Resources Committee 15th October 2018: already approved.
	16 Rental Income - adjustment to budget	City's Cash	Ongoing	N/A	- 1,716	Additional estimated rental income	Additional income
17 Rental Income - BHE	Bridge House Estates	Ongoing	N/A	1,326	Decrease in expected rental income	Included in forecast	
Subtotal:					2,384		
EXTERNALLY FUNDED							
18	City Fund Estate works and void costs	City Fund	Ongoing	Yes from rent	417	To cover some cyclical works and void costs that cannot be met from the local risk budget	Property Investment Board 12th December As this is part of the investment portfolio can be covered by increased rent. Appropriate charge to property fund, so recommended for approval.

REF:	Description	Fund	One off /ongoing	Funded?	£'000	Detail	Comments	
19	Architect to advise on options for redevelopment	City Fund	One-off	Yes from rent	100	Options for development of Site 1 and Site 2 Tabernacle Street Site.	PIB 12th Dec. RASC 17th January Investment property portfolio- therefore invest to earn scheme. Recommended for approval.	
20	Fleet House vacant possession	City Fund	One-off	Yes from rent	260	Fees to facilitate the vacant possession of the Fleet Street Estate into Fleet house on a 15 year term for a major tenant at Fleet Street Estate.	PIB 23 Jan Dec. Capital Buildings - Urgency Investment property portfolio- therefore invest to earn scheme. Recommended for approval.	
21	Guildhall Art Gallery	City Fund	Ongoing	Could be recovered through pricing of events	269	Funding required to compensate the gallery for closure for events. This uplift considers a staffing restructure to drive efficiencies, ensure sustainability, and delivers marketing, acquisitions, and conservation and collections care budgets, none of which previously existed (their absence limiting the Gallery’s ability and reputation as a professional gallery body). Without the recommended adjustment, the Gallery will have to make some difficult choices if it is to stay open and continue to care for the City Corporation’s art collection. This will likely see the closure of its education programme and the termination of its rolling programme of exhibitions.	CHL 14th May (agreed review of budgets), 11th December Although this is technically unfunded, the opportunity cost should be considered in the Guildhall trading account for the pricing of events. Already included in forecast	
22	5 New Posts City Surveyor Projects Group	City's Cash	Linked to projects	Recharged to Projects	367	£50k recruitment (one-off) £317k ongoing	CASC 1st November; Establishment 3rd Dec. Recharge projects	
23	City Bridge Trust	Bridge House Estates	Ongoing	Yes	129	Supporting the delivery of Bridging Divides funding policy, including focus on philanthropy strategy within this	Included in forecast	
Subtotal:					1,542			
FUNDING STARTED ALREADY								
24	Cyber Griffin	City's Cash	2 years	No	505	Budget uplift for EDO/CoLP for 2 years (£925k in 2018/19) only	P&R - 7 June 2018: already approved	
25	Green Finance Institute	City's Cash	3 years	Match	650	£2m over 3 years, match funded by HMT	RA Sub - June 2018- already approved	
26	Wellbeing: Sports Strategy	City's Cash	3 years	No	250	£75k P&R contingency in 2018/19	P&R - 5 July 2018: already approved	
27	Wellbeing: Mental Health Centre	City's Cash	3 years	Yes	35	Initial PIP bid for 2018/19 of £60k. Funding for 3 years in total	PIP- already approved	
28	Wellbeing: Mental Health Centre	City's Cash	one-off	External	32	HRA compensation for void periods (one off)	P&R - 5 July 2018: already approved	
29	Wellbeing: Mental Health Centre	City's Cash	3 years	External	192	HRA compensation for rent free period (three years)	P&R - 5 July 2018: already approved	
30	Diversity and Business Engagement	Guildhall Admin	Ongoing		90	£76k in P&R contingency in 2018/19 - HR budget uplift	P&R - 5 July 2018: already approved and included in forecast.	
31	TC new posts	Guildhall Admin	Ongoing	No	190	3 new posts in Committee and Member Services	Establishment - 9 July 2018	
32	Funding to support earlier close of financial accounts	Guildhall Admin	One-off	No	300	One-off costs of project to streamline accounts closure process during 18/19 and 19/20		
Subtotal:					2,245			
FUNDING REQUESTS FOR CONSIDERATION								
33	Operational Estate - Asset Maintenance	City Fund	Ongoing	No	114	Cost of maintaining assets identified through the Asset verification exercise. Net cost, after savings on the contract retender, is £515k overall- apportioned to funds.	CASC 5th September and P&R 4th October: growth in asset base. Part included forecasts.	
34	Operational Estate - Asset Maintenance	City's Cash	Ongoing	No	271	Cost of maintaining assets identified through the Asset verification exercise. Net cost, after savings on the contract retender, is £515k. BHE made saving on investment property but has no extra cost on operational property hence contribution.	CASC 5th September and P&R 4th October: growth in asset base. Part included forecasts.	
35	Operational Estate - Asset Maintenance	Guildhall Admin	Ongoing	No	218	Cost of maintaining assets identified through the Asset verification exercise. Net cost, after savings on the contract retender, is £515k. BHE made saving on investment property but has no extra cost on operational property hence contribution.	CASC 5th September and P&R 4th October: growth in asset base. Part included forecasts.	
36	Operational Estate - Asset Maintenance	Bridge House Estates	Ongoing	Yes	-	88	Cost of maintaining assets identified through the Asset verification exercise. Net cost, after savings on the contract retender, is £515k. BHE made saving on investment property but has no extra cost on operational property hence contribution.	CASC 5th September and P&R 4th October: growth in asset base. Part included forecasts.
37	Coroner	City Fund	Ongoing	No	150	Additional costs (staffing, medical and legal fees, mortuary etc) resulting from four-fold increase in number of reportable deaths in the Square Mile	PHES 15 Jan 2019. Growth in service provision, but can there be reprioritisation of resources?	

REF:	Description	Fund	One off /ongoing	Funded?	£'000	Detail	Comments
38	Culture Mile	City Fund	One-off	No	238	Postponement of content/artistic programmes from 18/19 to 19/20 i.e. Sound Unbound, originally planned for March 2019 has moved to May, development phases of projects extending into 19/20 for works initiated in 18/19 and key staff were not appointed until summer 2018 and consequently needed to spend much of autumn 2018 on team consolidation and outline strategic planning to ensure the total budget available to March 2020 is allocated in the most appropriate and impactful ways.	Budget realignment, underspend in 2018/19 and spend in 2019/20
39	Open Spaces Learning Programme	City's Cash	Ongoing	No	395	£395k previously funded via City Bridge Trust grant	
40	Oak Processionary Moth (OPM) Tree Pests & Diseases	City's Cash	Ongoing	No	200	£200k in 19/20, £250k thereafter	Open Spaces - Dec 2018
41	Guildhall Complex Running Costs	Guildhall Admin	Ongoing	No	946	To cover additional costs of running the building due to age and increased usage	CASC - 1st November. Although this is technically unfunded, the opportunity cost should be considered in the Guildhall trading account for the pricing of events. Recommended for approval.
Subtotal:					2,444		
TOTAL:					13,790		

BIDS BELOW £100k EACH							
42	Flood Risk & Future Resilience Work	City Fund	Ongoing	No	78	Cost of Flood Risk And Future Resilience work to be drawn down from from the un-ringfenced government grant provision for Lead Local Flood Authorities.	P&T 20th November 2018. In previous years the costs have been absorbed in local risk, however the service committee are no longer able to absorb the costs.
43	Air Quality	City Fund	Ongoing	No	99	To cover increase in statutory obligations and work demands due to air quality being a corporate red risk	PHES 15 Jan 2019
44	DCCS - Sir John Cass - Free School Meals	City Fund	Ongoing	Yes	56	To continue SJC free school meals funded by PIP in 2018/19	Funded from ongoing saving in baseline.
45	DCCS - Childrens Social worker	City Fund	Ongoing	No	60	To support the increase in numbers of care leavers and unaccompanied asylum seeking children	
46	DCCS - Adults Social worker	City Fund	Ongoing	Yes*	60	To support the increase in demand on Adult Social Care regarding Safeguarding and Mental Health	Could be covered by increase in Council Tax- social care precept
47	DCCS - Approved Mental Health Practitioner (AMHP)	City Fund	Ongoing	Yes*	40	Review of the current CoL AMHP function highlighted potential single point of failure	Could be covered by increase in Council Tax- social care precept
48	Sustainable Buildings review	City Fund	One-off	No	42	Develop plans to make our operational and investment properies more environmentally sustainable	PIB 12th Dec. RASC 17th January. Discretionary one off spend, the review may lead to future resource requests unless otherwise contained.
49	Sustainable Buildings review	City's Cash	One-off	No	43	Develop plans to make our operational and investment properies more environmentally sustainable	PIB 12th Dec. RASC 17th January. Discretionary one off spend, the review may lead to future resource requests unless otherwise contained.
50	Strategic Security Advisor	City Fund	Ongoing	No	70	In Jan 2016, RA Sub approved a base budget increase of £60k in the Town Clerk’s Resilience Team for the appointment of a specialist Security Advisor. A Strategic Security Director was appointed, but at a significantly higher salary than initially anticipated. The shortfall in salary for this post is £70k	
51	London Counter Fraud Hub (LB Ealing/CIPFA)	City Fund	Ongoing	No	70	Subscription cost of London Counter Fraud Hub (seven year agreement)	8 Nov 2018 (ARM approved signing up to the scheme)
52	Corporate Programme Office	City Fund	Ongoing	No	50	salary cost of additional staff member £45k plus professional costs £5k	New growth area linked to need to improve programme management
53	Pan-London Resilience	City Fund	Ongoing	No	30	Additional contribution from City of London Corporation	
54	Gresham College	City's Cash		No	30	2.5 FTE posts - funded from Finance Committee contingency in 18/19	Finance - 8 May 2018. Recommended for approval
55	City Surveyors -Market Forces Supplements for teams	City's Cash	Ongoing	No	68	£30k Commercial Group;£25k Operations Group; £13k Projects Group	CASC 1st November; Establishment 3rd Dec. Not able to absorb within local risk (overspending in year)
56	Education Board - Careers Week	City's Cash	Ongoing	PIF?	60	Annual Careers Week event in the City	
57	Education Board - Fusion Skills Tracking tool	City's Cash	One-off?	No	80	Implement a fusion skills assessment tracking tool	
58	St Lawrence Jewry – extension to grant arrangements	City's Cash	Three years	no	10	Additional costs of the MOU between CoL, Guildhall Church Council and Diocese	P&R - Feb 2019.

REF:	Description	Fund	One off /ongoing	Funded?	£'000	Detail	Comments
	Subtotal:				945		
	OVERALL TOTAL:				14,735		

	One off /ongoing	Funded?	£'000	Detail	Comments
ALREADY APPROVED					
Corporate Energy contract	Ongoing	No	828.0	Corporate energy contract has been relet from 1 Oct 18 with an average increase in cost of 32%. It was agreed that calculated inflation would be provided for 19-20 for the major corporate properties (excluding services recharged to third parties).	Finance and Court approved under Urgency July 2018
Strengthening Police Authority Governance	Ongoing	No	250.0	Costs for two FTE in Financial Services and one FTE in Town Clerks to support Police Authority function	Policy approved in November 2018, Court approved in Jan 2019
Already approved by Court subtotal:			1,078.0		
PROPERTY INVESTMENT PORTFOLIO- MANAGEMENT					
City Fund Estate works and void costs	Ongoing	Yes from rent	417.0	To cover some cyclical works and void costs that cannot be met from the local risk budget	Property Investment Board 12th December As this is part of the investment portfolio can be covered by increased rent. Appropriate charge to property fund, so recommended for approval.
Architect to advise on options for redevelopment	One-off	Yes from rent	100.0	Options for development of Site 1 and Site 2 Tabernacle Street Site.	PIB 12th Dec. RASC 17th January Investment property portfolio- therefore invest to earn scheme. Recommended for approval.
Fleet House vacant possession	One-off	Yes from rent	260.0	Fees to facilitate the vacant possession of the Fleet Street Estate into Fleet house on a 15 year term for a major tenant at Fleet Street Estate.	PIB 23 Jan Dec. Capital Buildings - Urgency Investment property portfolio- therefore invest to earn scheme. Recommended for approval.
Investment Property Subtotal:			777.0		
OPPORTUNITY COSTS OF EVENTS					
Guildhall Art Gallery	Ongoing	Could be recovered through pricing of events	269.0	Funding required to compensate the gallery for closure for events. This uplift considers how to drive efficiencies, ensure sustainability, and delivers marketing, acquisitions, and conservation and collections care budgets, none of which previously existed (their absence limiting the Gallery's ability and reputation as a professional gallery body). Without the recommended adjustment, the Gallery will have to make some difficult choices if it is to stay open and continue to care for the City Corporation's art collection.	CHL 14th May (agreed review of budgets), 11th December Although this is technically unfunded, the opportunity cost should be considered in the Guildhall trading account for the pricing of events. Already included in forecast
Costs of Events Subtotal:			269.0		
PUBLIC FACING SERVICES					
Operational Estate - Asset Maintenance	Ongoing	No	114.0	Cost of maintaining assets identified through the Asset verification exercise. Net cost, after savings on the contract retender, is £515k overall- apportioned to funds.	CASC 5th September and P&R 4th October: growth in asset base. Part included forecasts.
Waste Collection & Street Cleansing Contract	Ongoing	No	3,218.0	Increased cost of new contract commencing April 2019 following recent tender exercise	PHES 8th Nov, Finance 13th Nov, CCC 16th Nov (urgency) If not approved, significant service changes would be required. However this is a substantial ongoing increase in baseline that may not be sustainable over the longer term, when funding levels are reduced.
Coroner	Ongoing	No	150.0	Additional costs (staffing, medical and legal fees, mortuary etc) resulting from four-fold increase in number of reportable deaths in the Square Mile	PHES 15 Jan 2019. Growth in service provision, but can there be reprioritisation of resources?
Operational Properties - Barbican Centre Running Costs	Ongoing	No	400.0	Citigen - Guildhall complex incl Wood St heat supplies	
Culture Mile	One-off	No	238.0	Postponement of content/artistic programmes from 18/19 to 19/20 i.e. Sound Unbound, originally planned for March 2019 has moved to May, development phases of projects extending into 19/20 for works initiated in 18/19 and key staff were not appointed until summer 2018 and consequently needed to spend much of autumn 2018 on team consolidation and outline strategic planning to ensure the total budget available to March 2020 is allocated in the most appropriate and impactful ways.	Budget realignment, underspend in 2018/19 and spend in 2019/20
Public facing services subtotal:			4,120.0		
Subtotal:			6,244.0		
DIMINIMUS ITEMS: less than £100k			£'000	Detail	Comments
Flood Risk & Future Resilience Work	Ongoing	No	78.0	Cost of Flood Risk And Future Resilience work to be drawn down from the un-ringfenced government grant provision for Lead Local Flood Authorities.	P&T 20th November 2018. In previous years the costs have been absorbed in local risk, however the service committee are no longer able to absorb the costs.
Air Quality	Ongoing	No	99.0	To cover increase in statutory obligations and work demands due to air quality being a corporate red risk	PHES 15 Jan 2019
DCCS - Sir John Cass - Free School Meals	Ongoing	Yes	56.0	To continue SJC free school meals funded by PIP in 2018/19	Funded from ongoing saving in baseline.

DIMINIMUS ITEMS: less than £100k			£'000	Detail	Comments
DCCS - Childrens Social worker	Ongoing	No	60.0	To support the increase in numbers of care leavers and unaccompanied asylum seeking children	
DCCS - Adults Social worker	Ongoing	Yes*	60.0	To support the increase in demand on Adult Social Care regarding Safeguarding and Mental Health	Could be covered by increase in Council Tax- social care precept
DCCS - Approved Mental Health Practitioner (AMHP)	Ongoing	Yes*	40.0	Review of the current CoL AMHP function highlighted potential single point of failure	Could be covered by increase in Council Tax- social care precept
Sustainable Buildings review	One-off	No	42.0	Develop plans to make our operational and investment properies more environmentally sustainable	PIB 12th Dec. RASC 17th January. Discretionary one off spend, the review may lead to future resource requests unless otherwise contained.
Strategic Security Advisor	Ongoing	No	70.0	In Jan 2016, RA Sub approved a base budget increase of £60k in the Town Clerk’s Resilience Team for the appointment of a specialist Security Advisor. A Strategic Security Director was appointed, but at a significantly higher salary than initially anticipated. The shortfall in salary for this post is £70k	
London Counter Fraud Hub (LB Ealing/CIPFA)	Ongoing	No	70.0	Subscription cost of London Counter Fraud Hub (seven year agreement)	8 Nov 2018 (ARM approved signing up to the scheme)
Corporate Programme Office	Ongoing	No	50.0	salary cost of additional staff member £45k plus professional costs £5k	New growth area linked to need to improve programme management
Pan-London Resilience	Ongoing	No	30.0	Additional contribution from City of London Corporation	
Subtotal:			655.0		
TOTAL:			6,899.0		
Reapportion Guildhall Admin			1,122.5		
Cost per fund			8,021.5		

	One off/ ongoing	Funded?	£'000	Detail	Comments
ALREADY APPROVED					
Cyber Griffin	2 years	No	505.0	Budget uplift for EDO/CoLP for 2 years (£925k in 2018/19) only	P&R - 7 June 2018: already approved
Green Finance Institute	3 years	Match	650.0	£2m over 3 years, match funded by HMT	RA Sub - June 2018- already approved
Wellbeing: Sports Strategy	3 years	No	250.0	£75k P&R contingency in 2018/19	P&R - 5 July 2018: already approved
Wellbeing: Mental Health Centre	3 years	Yes	35.0	Initial PIP bid for 2018/19 of £60k. Funding for 3 years in total	PIP- already approved
Wellbeing: Mental Health Centre	one-off	External	32.0	HRA compensation for void periods (one off)	P&R - 5 July 2018: already approved
Wellbeing: Mental Health Centre	3 years	External	192.0	HRA compensation for rent free period (three years)	P&R - 5 July 2018: already approved
Uplift to Mayoral / Shrieval budgets	Ongoing	No	279.0	Increase to Mayoral and Shrieval budgets to ensure that there is sufficient budget to fund events at the Old Bailey and to ensure that there are sufficient resources in place to ensure that an Alderman is not required to expend personal money to take on the discharge of offices of Alderman, Sheriff (including non-Aldermanic Sheriff) and Lord Mayor.	Joint Deputation of Aldermen, Finance Committee and Policy & Resources Committee 15th October 2018: already approved.
Corporate Energy contract	Ongoing	No	254.0	Corporate energy contract has been relet from 1 Oct 18 with an average increase in cost of 32%. It was agreed that calculated inflation would be provided for 19-20 for the major corporate properties (excluding services recharged to third parties).	Finance and Court under Urgency July 2018 Already approved
Borrowing costs	one-off	Yes	200.0	Estimated costs of borrowing advice due to Private Placement (additional fees may be incurred)	P&R & Finance Cttee approved in principle in Dec 2018. Was to be financed from Finance Cttee contngencies, but moved out to later in 2019, with bank facility in 2018/19.
Supporting the City: City Week 2019 Sponsorship	One-off	Yes-PIF	25.0	£25k in PIF 2019/20	P&R - 5 July 2018: Already approved
Supporting the City: CityUK Funding	5 years	No	100.0	Base budget ulift to fund contribution to CityUK.	P&R Dec 18. Already approved
Supporting the City: Strengthening the work on global competiveness	Ongoing	No	1,800.0	Base budget uplift in EDO of £2m with 10% efficiency saving	P&R Dec 18. Already approved. Included in forecast
Already approved subtotal			4,322.0		
OPEN SPACES:					
Open Spaces Learning Programme	Ongoing	No	395.0	£395k previously funded via City Bridge Trust grant	
Oak Processionary Moth (OPM) Tree Pests & Diseases	Ongoing	No	200.0	£200k in 19/20, £250k thereafter	Open Spaces - Dec 2018
Open Spaces Subtotal:			595.0		
INCOME					
Rental Income - adjustment to budget	Ongoing	N/A	-1,716.0	Additional estimated rental income	Additional income
Income Subtotal:			-1,716.0		
OPERATIONAL PROPERTY RUNNING COSTS:					
5 New Posts City Surveyor Projects Group	Linked to projects	Recharged to	367.0	£50k recruitment (one-off) £317k ongoing	CASC 1st November; Establishment 3rd Dec. Recharge projects
Operational Estate - Asset Maintenance	Ongoing	No	271.0	Cost of maintaining assets identified through the Asset verification exercise. Net cost, after savings on the contract retender, is £515k. BHE made saving on investment property but has no extra cost on operational property hence contribution.	CASC 5th September and P&R 4th October: growth in asset base. Part included forecasts.
Operations subtotal:			638.0		
Subtotal:			3,839.0		

DIMINIMUS ITEMS: less than £100k			£'000	Detail	Recommended for Approval
Gresham College		No	29.5	2.5 FTE posts - funded from Finance Committee contingency in 18/19	Finance - 8 May 2018. Recommended for approval
City Surveyors -Market Forces Supplements for teams	Ongoing	No	68.0	£30k Commercial Group;£25k Operations Group; £13k Projects Group	CASC 1st November; Establishment 3rd Dec. Not able to absorb within local risk (overspending in year)
Education Board - Careers Week	Ongoing	PIF?	60.0	Annual Careers Week event in the City	
Education Board - Fusion Skills Tracking tool	One-off?	No	80.0	Implement a fusion skills assessment tracking tool	
Sustainable Buildings review	One-off	No	43.0	Develop plans to make our operational and investment properies more environmentally sustainable	PIB 12th Dec. RASC 17th January. Discretionary one off spend, the review may lead to future resource requests unless otherwise contained.
St Lawrence Jewry – extension to grant arrangements	three years	no	9.5	Additional costs of the MOU between the CoL, Guildhall Church Council and Diocese	P&R - Feb 2019.

Subtotal: 290.0

TOTAL: 4,129.0

Reapportion Guildhall Admin 1,122.5

Cost per fund 5,251.5

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	One off/ ongoing	Funded?	£'000	Detail	Comments
GOVERNANCE:					
City Bridge Trust	Ongoing	Yes	129.0	Supporting the delivery of Bridging Divides funding policy, including focus on philanthropy strategy within this	Included in forecast
INCOME					
Rental Income - BHE	Ongoing	N/A	1,326	Decrease in expected rental income	Included in forecast
OPERATIONAL PROPERTY RUNNING COSTS:					
Corporate Energy contract	Ongoing	Yes	94.0	Corporate energy contract has been relet from 1 Oct 18 with an average increase in cost of 32%. It was agreed that calculated inflation would be provided for 19-20 for the major corporate properties (excluding services recharged to third parties).	Finance and Court under Urgency July 2018 Already approved
Operational Estate - Asset Maintenance	Ongoing	Yes	-88.0	Cost of maintaining assets identified through the Asset verification exercise. Net cost, after savings on the contract retender, is £515k. BHE made saving on investment property but has no extra cost on operational property hence contribution.	CASC 5th September and P&R 4th October: growth in asset base. Part included forecasts.
Operations subtotal:			6.0		
TOTAL:			1,461.0		

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	One off/ ongoing	Funded?	£'000	Detail	Comments
ALREADY APPROVED:					
Renewable Energy Strategy	One-off	No	50.0	£25k in P&R contingency in 2018/19	P&R - 7 June 2018: already approved
Corporate Energy contract	Ongoing	No	321.0	Corporate energy contract has been relet from 1 Oct 18 with an average increase in cost of 32%. It was agreed that calculated inflation would be provided for 19-20 for the major corporate properties (excluding services recharged to third parties).	Finance and Court under Urgency July 2018 Already approved
Diversity and Business Engagement	Ongoing		90.0	£76k in P&R contingency in 2018/19 - HR budget uplift	P&R - 5 July 2018: already approved and included in forecast.
Corporate Treasury	Ongoing		70.0	salary cost of additional staff member to support investment and borrowing	FC - 11 Dec 2018, P&R 13 Dec 2018 already approved
Already Approved subtotal:			531.0		
GOVERNANCE:					
TC new posts	Ongoing	No	190.0	3 new posts in Committee and Member Services	Establishment - 9 July 2018
Funding to support earlier close of financial accounts	One-off	No	300.0	One-off costs of project to streamline accounts closure process during 18/19 and 19/20	
Governance subtotal:			490.0		
OPERATIONAL PROPERTY RUNNING COSTS:					
Guildhall Complex Running Costs	Ongoing	No	946.0	To cover additional costs of running the building due to age and increased usage	CASC - 1st November. Although this is technically unfunded, the opportunity cost should be considered in the Guildhall trading account for the pricing of events. Recommended for approval.
Operational Estate - Asset Maintenance	Ongoing	No	218.0	Cost of maintaining assets identified through the Asset verification exercise. Net cost, after savings on the contract retender, is £515k. BHE made saving on investment property but has no extra cost on operational property hence contribution.	CASC 5th September and P&R 4th October: growth in asset base. Part included forecasts.
Guildhall Complex Running Costs	Ongoing	No	60.0	Citygen - Guildhall complex incl Wood St heat supplies	
Operational Property subtotal:			1,224.0		

TOTAL:			2,245.0
Reapportion Guildhall Admin - City Fund			-1,122.5
Reapportion Guildhall Admin - City's Cash			-1,122.5
Balance:			0.0

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